

WASHINGTON METROPOLITAN AREA TRANSIT COMMISSION

WASHINGTON, D. C.

ORDER NO. 2152

IN THE MATTER OF:

Served October 16, 1980

Application of CALL-A-MESSENGER,)
Inc., for Authorization to Perform)
Charter Operations Pursuant to)
Contract with Trans World Airlines,))
Inc.)

Case No. CP-80-06

By application filed October 9, 1980, Call-A-Messenger, Inc. (CAM), seeks authority to conduct charter operations pursuant to contract with Trans World Airlines, Inc. (TWA), pursuant to WMATC Special Certificate of Public Convenience and Necessity No. 1 and Commission Regulation No. 70. The application proposes the transportation of TWA flight deck crews as follows:

- (1) Between Dulles International Airport, Herndon, Va., and Washington National Airport, Gravelly Point, Va., on the one hand, and, on the other, points in the District of Columbia,
- (2) Between Dulles International Airport, Herndon, Va., and Washington National Airport, Gravelly Point, Va., via a route traversing the District of Columbia, and
- (3) Between Andrews Air Force Base, Md., on the one hand, and, on the other, Washington National Airport, Dulles International Airport, and Washington, D. C.

Inasmuch as the application proposes the irregular-route transportation of airline employees, it appears generally to be amenable to processing under Commission Regulation No. 70. */

*/ See Order No. 2004, adopting Regulation No. 70, served June 20, 1979, and effective July 21, 1979.

The contract between CAM and TWA calls for the transportation of flight deck crews and their baggage ". . . between the points in and around cities served by the airport and the TWA terminal at said airport. . . ." Other language in the contract tends to limit service only to airports and hotels, and we will construe the application as being similarly limited. The schedule of rates attached to the contract shows, as pertinent:

<u>Between</u>	<u>And</u>	<u>Rates</u>
National	D. C.	\$ 7.50
National	Dulles	32.50
Dulles	D. C.	32.50
National	Andrews A.F.B.	22.50
Dulles	Andrews A.F.B.	37.50
D. C.	Andrews A.F.B.	22.50

Other rates in applicant's schedule refer to service beyond the scope of this Commission's territorial jurisdiction. Accordingly, they will be disregarded. CAM also proposes to extend to TWA a one-year reduction of five percent on all scheduled rates. It should be noted at this point that the five-percent reduction has been approved in the past in connection with other cases involving CAM and TWA. A careful review of the financial data submitted in this case (as summarized below) and similar data in recently-filed Case Nos. CP-80-05 and CP-80-07 tends to indicate that no such rebate should be allowed. For the reasons set forth below, CAM and TWA are hereby put on notice that approval of this application, if granted in whole or in part, may be conditioned upon the filing of revised WMATC Tariff Nos. 5 and 6 excluding the quoted discount.

An appendix to the contract provides for a fixed term of service of 181 days commencing September 15, 1980, with a cancellation provision for good cause and an indefinite extension period after the initial 181 days. In this connection, CAM is reminded of its continuing obligation to notify the Commission of all contract extensions, cancellations or modifications.

CAM's balance sheet as of May 31, 1980, shows current assets of \$209,657, total assets of \$320,272, current liabilities of \$103,865, long-term liabilities of \$858,116, (primarily intercompany loans and notes), and negative stockholders equity of \$537,844. A projection of annual income from the TWA contract indicates gross income of \$34,450, operating costs of \$22,531 and general and administrative expenses of \$11,160 yielding a net pre-tax income of \$759. The figures provided by CAM show an operating ratio of 97.80 under the contract. It appears, however, that the proposed five-percent price reduction would reduce income by \$1,722.50 and result in an actual operating ratio of 102.94. As a general rule, the Commission hesitates to compel changes in a contract made by two responsible parties acting at arm's length. In this case, however, it appears that CAM has struck a bargain that is

inimical to the company's already precarious financial situation. Therefore, the Commission specifically reserves its power under Title II, Article XII, Section 6 of the Compact to prescribe such fares, regulations and practices as may seem just and reasonable in light of the evidence of record in this and other cases involving CAM.

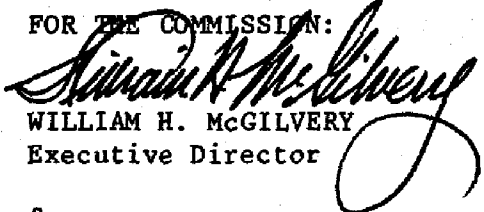
Applicant lists 16 vehicles available for use in performing the proposed service and states that a grant of authority would allow it to use the same vehicles, facilities and personnel now providing service for other airlines pursuant to special certificate authority. It is noted that this same claim has been made by CAM on several occasions without supporting documentation. Inasmuch as this application involves an airline that CAM is already serving, more specific evidence will not be required in this case. In the event, however, that CAM seeks approval in the future to serve additional contractors, the Commission will expect a detailed report on CAM's vehicle utilization and availability. Under this proposal, TWA estimates that transportation of 42 persons a day will be required. That transportation was performed by Airport Limo, Inc., until September 15, 1980, when CAM took over the service pursuant to temporary authority granted in Order No. 2137.

Pursuant to Commission Regulation No. 70-06, notice of this application must be published and opportunity given for the filing of protests. Protests, if any, must be written, sworn and notarized, and must contain all evidence and argument upon which protestant would rely.

THEREFORE, IT IS ORDERED:

1. That Call-A-Messenger, Inc., publish once, in a newspaper of general circulation in the Metropolitan District, notice of this application in the form prescribed by the staff of the Commission no later than Wednesday, October 22, 1980.
2. That applicant shall file an affidavit of said publication together with supplemental material, if any, concerning the rates to be charged no later than Friday, October 24, 1980.
3. That any person desiring to protest this application shall file a notarized protest in conformance with Commission Regulation No. 70-06 at the office of the Commission, Suite 316, 1625 I Street, N. W., Washington, D. C. 20006, no later than Monday, November 3, 1980, and shall simultaneously serve a copy of such protest on counsel for applicant, John M. Ballenger, Esquire, 6121 Lincolnia Road, Suite 400, Alexandria, Va. 22312.

FOR THE COMMISSION:


WILLIAM H. MCGILVERY
Executive Director

